

**MINUTES**

**MONTANA SENATE  
56th LEGISLATURE - REGULAR SESSION  
COMMITTEE ON BUSINESS AND INDUSTRY**

**Call to Order:** By **CHAIRMAN JOHN HERTEL**, on January 6, 1999 at 9:00 A.M., in Room 410 Capitol.

**ROLL CALL**

**Members Present:**

Sen. John Hertel, Chairman (R)  
Sen. Mike Sprague, Vice Chairman (R)  
Sen. Dale Berry (R)  
Sen. Vicki Cocchiarella (D)  
Sen. Bea McCarthy (D)  
Sen. Glenn Roush (D)  
Sen. Fred Thomas (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Services Division  
Mary Gay Wells, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 4,12/22/98  
Executive Action: SB 4

**HEARING ON SB 4**

**Sponsor:** SENATOR DALE MAHLUM, SD 35, MISSOULA

**Proponents:** Peter Blouke, Director, Department of Commerce  
Andy Poole, Department of Commerce

**Opponents:** None.

**Opening Statement By Sponsor:**

**SENATOR DALE MAHLUM, SD 35, Missoula,** said **SB 4** was a request by the Department of Commerce to offer employee ownership development services and revising the act that was in right now. He said the requests for employee ownership information services had been very few and minimal in the past several years. The Legislative Audit report recommends the Department determine if the limited demand did not warrant the cost of implementing the act, the Department should seek legislation to amend or repeal the law.

**Proponents' Testimony:**

**Dr. Peter Blouke, Director, Montana Department of Commerce,** said **SB 4** was simple but necessary because the language in statute needed cleaning up which actually requires the Department to aggressively promote employee ownership of businesses. He said there had been only two occasions in the last several years where there have been requests to assist employees in putting together a business ownership plan. **Dr. Blouke** said the Department would continue to provide support where requested but are not funded to do the more aggressive and extensive promotion of employee-owned businesses. He stated the Department concurred with the Legislative Audit recommendation if the funding needed to implement the law warranted the actual actions, **SB 4** should be revised. He encouraged DO PASS on **SB 4**.

**Andy Poole, Deputy Director, Montana Department of Commerce,** said this piece of legislation was not originally funded for the activity outlined in the act and **SB 4** was an attempt to have the statute reflect reality, i.e. provide services to people who request Department services for employee ownership services. However, the Department would not actively do seminars and workshops; if it did, the Department would need to request additional funding from the Legislature. He reiterated the Department didn't feel that was needed, based on the number of requests in the past number of years; however, it would continue to provide assistance to people who asked for it. He asked for support for **SB 4**.

**Questions from Committee Members and Responses:**

**SENATOR VICKI COCCHIARELLA** asked **Andy Poole** the history of **SB 4** and wondered why it was in the law.

**Andy Poole** answered it dated back to the late 1980's and was a result of work between a legislator and the Department of

Commerce; however, he was not sure why they felt it was necessary -- perhaps it had something to do with employees purchasing the Colonial Inn during that time. He stated the Department was not qualified to give that kind of accounting or legal advice to groups of employees -- the Department gives information which identifies people who are experts in those fields to employees who can then go forward with a plan. **Mr. Poole** again stressed the Department will continue to work with employees who request its services.

**Closing by Sponsor:**

**SEN. MAHLUM** reminded the Committee the Commerce Department's desire was to hold down unwarranted costs, which was the reason for **SB 4**. He said the Department would still provide technical assistance and counseling upon request by an employee group or organization; however, **SB 4** doesn't actively promote employee group ownership through workshops, seminars or conferences.

**EXECUTIVE ACTION ON SB 4**

**Motion/Vote:** **SEN. SPRAGUE** moved that **SB 4 DO PASS**. Motion carried unanimously, 7-0.

**ADJOURNMENT**

Adjournment: 9:08 A.M.

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SEN. JOHN HERTEL, Chairman

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MARY GAY WELLS, Secretary

JH/MGW

**EXHIBIT (bus03aad)**